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13 **UNITED STATES DISTRICT COURT**  
14 **CENTRAL DISTRICT OF CALIFORNIA**  
15 **WESTERN DIVISION**

17 PHILIPS NORTH AMERICA LLC,

18 *Plaintiffs,*

19 v.

20 GARMIN INTERNATIONAL, INC.  
21 and GARMIN LTD.,

22 *Defendants.*

Case No. 2:19-cv-6301-AB-KS

**FIRST AMENDED COMPLAINT  
FOR PATENT INFRINGEMENT**

***JURY TRIAL DEMANDED***

23 **FIRST AMENDED COMPLAINT FOR PATENT INFRINGEMENT**

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25  
26  
27 Philips North America LLC (“Philips North America” or “Plaintiff”), by its  
28 undersigned counsel, hereby alleges, with knowledge with respect to its own acts and on

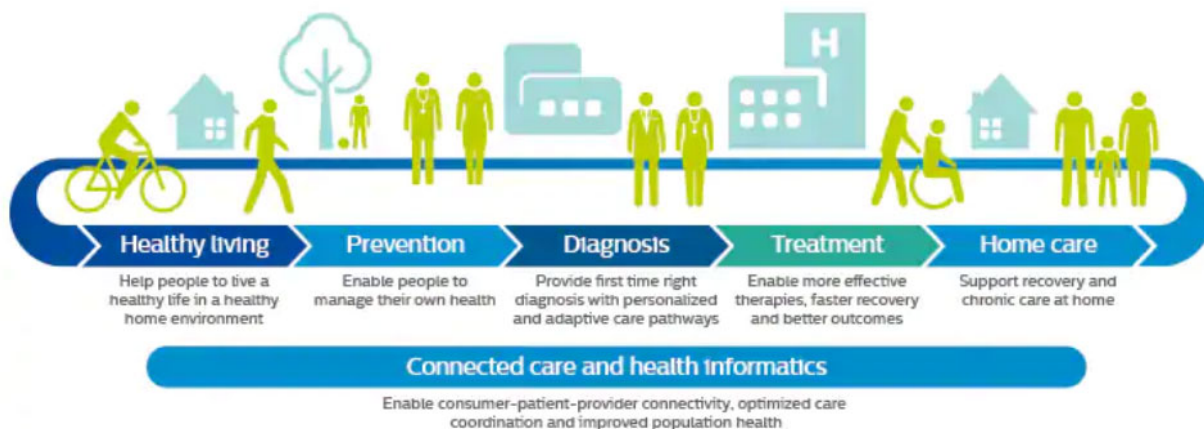
1 information and belief as to other matters, the following in support of its Complaint against  
 2 Garmin International, Inc., and Garmin Ltd. (collectively “Defendants” or “Garmin”).

### 3 NATURE OF THE ACTION

4 1. Philips North America brings this action to compel Garmin to stop infringing  
 5 Philips North America’s patents, and to compensate Philips North America for Garmin’s  
 6 past infringement.

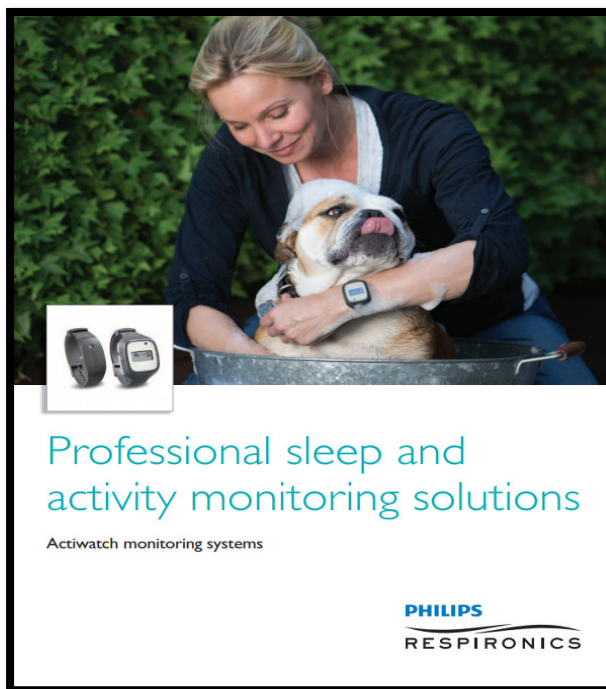
7 2. Philips North America is a subsidiary of Koninklijke Philips N.V., originally  
 8 founded in 1891, and a world leader in technology and innovation across many  
 9 technological fields (generally referred to as “Philips”). For more than 100 years, Philips  
 10 has dedicated significant resources to research and development for the advancement of  
 11 technology used around the world.

12 3. Philips strives to make the world healthier and more sustainable through  
 13 innovation with the goal of improving lives of billions of people. Philips approaches  
 14 healthcare as a continuum where its technologies can be applied across activities of healthy  
 15 living, prevention, diagnosis, treatment and home care as depicted below:



24 4. Connected health technologies developed by Philips are employed across the  
 25 health continuum. Both inside and outside hospitals, Philips has developed technologies  
 26 that empower consumers to better manage their health by improving access to and analysis  
 27 of personal health and fitness information obtained in various manners. Philips provides the  
 28 Actiwatch family of devices, which are designed to help better understand the daily activity

1 and sleep and wake patterns of individuals. Examples of Philips Actiwatch devices are  
2 shown here:



15 5. In another example, MIO Global incorporated Philips' heart rate monitor  
16 technology into its MIO Alpha fitness tracker watch, making it among the first and most  
17 accurate integrated wrist-worn heartrate monitors available. Philips continues to lead the  
18 development of technologies that underpin connected health products including trackers.  
19 Others have recognized the value of Philips' investment in innovation in this area and have  
20 sought and taken technology licenses from Philips, including licenses to the patents  
21 asserted in this case.

22 6. Philips also invests in technologies developed by other companies and has  
23 acquired companies and their patented innovative technologies as part of its emphasis on  
24 supporting and advancing innovation. Philips has made numerous direct investments in  
25 connected health technologies in recent years, including its acquisition of Lifeline Systems,  
26 Inc. in 2006, its acquisition of Wellcentive in 2016, its acquisitions of Health and Parenting  
27 LTD and VitalHealth in 2017, and its acquisition of Blue Willow Systems in 2018. Each  
28 of these acquisitions expanded Philips' capabilities in personal health management and

1 supported Philips' longstanding commitment to deliver integrated solutions across the  
2 health continuum.

3 7. Philips shares its innovation with others through, for example, its pioneering  
4 role in open innovation as well as in offering access to its technology through licensing.  
5 In this way, Philips has been able to share its innovations with many other companies.  
6 Licensing revenues fund further research at Philips. Philips' patent portfolio currently  
7 includes more than 60,000 patents, and in 2017 Philips filed more patent applications in  
8 the field of medical technology at the European Patent Office than any other company in  
9 the world.

10 8. While some of Philips' patents are asserted in this action, Philips has many  
11 others covering connected health. The patented technologies asserted in this action enable  
12 and enhance customer demand for products such as, for example: GPS/audio athletic  
13 training, security mechanisms for transmission of personal data, connected wearable/online  
14 products, and handling of interrupted connections.

15 9. Founded in 1989 as "ProNav," Garmin was originally a company that offered  
16 devices for navigation. Garmin did not offer a wearable tracker for athletic activity until  
17 2014, after the smartphone eliminated demand for handheld GPS devices and Garmin's  
18 sales plummeted. See [https://www.forbes.com/sites/alexknapp/2016/09/14/how-garmin-](https://www.forbes.com/sites/alexknapp/2016/09/14/how-garmin-mapped-out-a-new-direction-with-fitness-wearables/#5f382ea727b9)  
19 [mapped-out-a-new-direction-with-fitness-wearables/#5f382ea727b9](https://www.forbes.com/sites/alexknapp/2016/09/14/how-garmin-mapped-out-a-new-direction-with-fitness-wearables/#5f382ea727b9). In entering the  
20 wearable tracker market, Garmin leveraged the patented technology of Philips from the  
21 beginning. Garmin experienced significant growth and revenues as a result. See  
22 <https://www.cnet.com/news/garmins-doing-well-in-wearables/>.

23 10. For years, Philips has repeatedly offered to license rights in the Patents-in-  
24 Suit<sup>1</sup> to Garmin, but Garmin has repeatedly refused to accept Philips' offers to license.  
25 Garmin's past and continuing sales of its devices i) willfully infringes Philips' Patents-in-  
26 Suit and ii) impermissibly takes the significant benefits of Philips' patented technologies  
27

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28 <sup>1</sup> The "Patents-in-Suit" refer to the patents identified below in Counts I-VI.

1 without compensation to Philips. Garmin's refusal to take a royalty bearing license under  
2 the Patents-in-Suit has forced Philips to seek remediation to stop Garmin's continuing  
3 willful infringement of the Patents-in-Suit and to be compensated for Garmin's past willful  
4 infringement of the Patents-in-Suit.

5 **PARTIES**

6 11. Plaintiff Philips North America LLC (formerly known as Philips Electronics  
7 North America Corporation) is a limited liability company duly organized and existing  
8 under the laws of Delaware. There are facilities for Philips Sonicare in Ontario, CA within  
9 this Judicial District in addition to Philips Respironics in Carlsbad, CA. Philips has been  
10 a technology leader for over a century including in the field of connected health products  
11 and across the healthcare continuum. Philips patented innovations in this action pertain to  
12 GPS/audio athletic training, security mechanisms for transmission of personal data,  
13 connected wearable/online products, and handling of interrupted connections.

14 12. Defendant Garmin International, Inc. is a corporation organized under the  
15 laws of Kansas having a regular and established place of business located at 120 Cremona  
16 Drive, Goleta, CA, within this Judicial District.

17 13. Defendant Garmin International, Inc. also has a regular and established place  
18 of business at 21680 Gateway Center Drive, Diamond Bar, CA, within this Judicial  
19 District.

20 14. Defendant Garmin Ltd. is a foreign company organized and existing under the  
21 laws of Switzerland with its principal place of business at Muhlenstalstrasse 2, 8200  
22 Schaffhausen, Switzerland. In addition to infringements, many leadership decisions are  
23 made from Garmin Ltd.

24 15. Garmin International, Inc. is a wholly owned subsidiary of Garmin Ltd.

25 16. Garmin develops, manufactures, markets, sells and uses connected health  
26 products including ones that employ GPS/audio athletic training, security mechanisms for  
27 transmission of personal data, connected wearable/online products, and handling of  
28 interrupted connections that incorporate Philips' patented technology. Garmin has not

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